

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS CONTRACT 25 (MC2015-22)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2015-28

**NOTICE OF UNITED STATES POSTAL SERVICE OF
AMENDMENT TO PRIORITY MAIL EXPRESS CONTRACT 25,
WITH PORTIONS FILED UNDER SEAL**
(April 29, 2016)

The Postal Service hereby provides notice that prices under Priority Mail Express Contract 25, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Express Contract 25 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective one business day following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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April 29, 2016

ATTACHMENT A

REDACTED AMENDMENT TO PRIORITY MAIL EXPRESS CONTRACT 25

**AMENDMENT OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND**

REGARDING PRIORITY MAIL EXPRESS SERVICE

WHEREAS, the United States Postal Service (“the Postal Service”) and [REDACTED] (“Customer”) entered into a shipping services contract regarding Priority Mail Express service on December 15, 2014.

WHEREAS, the Parties desire to replace Sections I.E, I.F, and I.G in their entirety.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective one business day following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.E, I.F, and I.G in their entirety, as follows:]

I. Terms

E. Volume Commitment. Customer shall ship at least [REDACTED] Contract Packages annually.

F. Contract Prices. From the effective date of this amendment, Customer shall receive tiered discounted prices for Contract Packages based on Customer’s total number of Contract Packages shipped per Contract Quarter, as follows:

1. Contract Quarters are defined in Table A.

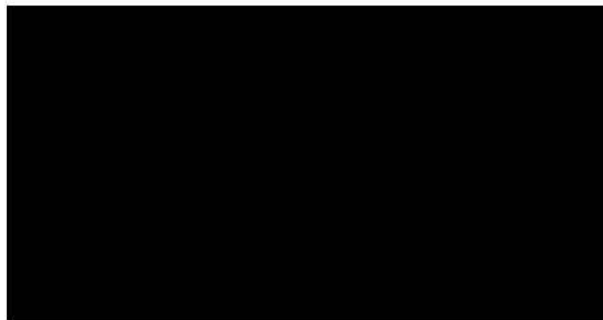
Table A

Contract Quarters	Start of Quarter	End of Quarter
Quarter 1	April 1st	June 30th
Quarter 2	July 1st	September 30th
Quarter 3	October 1st	December 31st
Quarter 4	January 1st	March 31st

2. Implementation Period. From the effective date of this amendment until the last day of the corresponding Contract Quarter, Customer shall receive the discounted prices in Table B.



3. Beginning on the first day of the Contract Quarter following the Implementation Period, Customer shall receive the tier discounted prices based on the total number of Contract Packages shipped during the previous full Contract Quarter, pursuant to Table C.



4. Within fifteen (15) days after the start of each Contract Quarter, the Postal Service will notify Customer of the applicable tier and prices as shown in Table D for that Contract Quarter based on the Volume Tier achieved in Table C above. Prices will be effective within fifteen (15) days after the start of each Contract Quarter



5. Should the volume of Contract Packages in any Contract Quarter fall below the minimum volume for Tier 1, Customer will pay the prevailing Priority Mail Express Commercial Base prices on all Contract Packages shipped during the subsequent Contract Quarter.

G. Price Adjustment

1. On each anniversary of the contract's effective date, customized prices under this contract will be the lesser of i) the prices in Table D plus the most recent (as of the anniversary date) average increase in prices of general applicability, as calculated by the Postal Service, for Priority Mail Express Commercial Base, or ii) the prices in Table D plus [REDACTED]
2. Adjusted prices will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published rates of applicability for Priority Mail Express Commercial Base, there shall be no change to contract pricing for that Contract Year.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: _____

Printed Name: _____

Title: _____

Date: _____

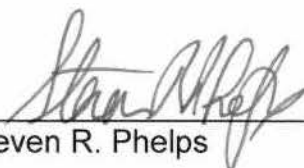
[Handwritten Signature]
Cliff Power
JP Sales
4/18/16

ATTACHMENT B
SIGNED CERTIFICATION

Certification of Prices for Amendment to Priority Mail Express Contract 25

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Express Contract 25. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



Steven R. Phelps